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COMMISSION
DIVISION OF MARKET REGULATION



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 19b-4(e)

Information Required of a Self-Regulatory Organization Listing and Trading a New
Derivative Securities Product Pursuant to Rule 19b-4(e) Under the Securities Exchange Act of 1934

READ ALL INSTRUCTIONS PRIOR TO COMPLETING FORM

Part I Initial Listing Report

1. Name of Self-Regulatory Organization Listing New Derivative Securities Product:
International Securities Exchange, LLC
2. Type of Issuer of New Derivative Securities Product (e.g., clearinghouse, broker-dealer, corporation, etc.):
Clearinghouse
3. Class of New Derivative Securities Product:
Securities Options
4. Name of Underlying Instrument:
ISE Water Index (formerly ISE-B&S Water Index; Change in Methodology from Equal-Dollar Weighted to Modified Capitalization-Weighted).
5. If Underlying Instrument is an Index, State Whether it is Broad-Based or Narrow-based:
The index referred to in Item 4 above is Narrow-Based
6. Ticker Symbol(s) of New Derivative Securities Product:
ISE Water Index - HHO
7. Market or Markets Upon Which Securities Comprising Underlying Instrument Trades:
New York Stock Exchange, Nasdaq Global Market and American Stock Exchange
8. Settlement Methodology of New Derivative Securities Product:
A.M., Cash-Settled
9. Position Limits of New Derivative Securities Product (if applicable):
31,500 Contracts - HHO

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Part II Execution

The undersigned represents that the governing body of the above-referenced Self-Regulatory Organization has duly approved, or has duly delegated its approval to the undersigned for, the listing and trading of the above-referenced new derivative securities product according to its relevant trading rules, procedures, surveillance programs and listing standards.

Name of Official Responsible for Form: **Michael J. Simon**
Title: **General Counsel and Secretary**
Telephone Number: **212-897-0230**
Manual Signature of Official Responsible for Form:
Date: **November 21, 2006**

Act	Securities Exchange Act of 1934
Section	19b-4
Rule	19b-4(e)
Public	
Availability:	NOVEMBER 27, 2006



INTERNATIONAL SECURITIES EXCHANGE,

60 Broad Street New York, NY 10004

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FAX: 212 425-4926

www.iseoptions.com

SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF MARKET REGULATION

November 21, 2006

By Facsimile and Overnight Courier

Gail S. Jackson
Paralegal Specialist
US Securities and Exchange Commission
Division of Market Regulation
100 F Street, NE – Room 6628
Washington, DC 20549

Re: Form 19b-4(e) for the ISE Water Index

Dear Ms. Jackson:

The International Securities Exchange, LLC ("ISE") hereby files Form 19b-4(e), with respect to the ISE Water Index. This security is a narrow-based index listed for trading pursuant to ISE Rule 2002. ISE is filing this updated Form 19b-4(e) to reflect a change in the index's methodology.

Sincerely,

Michael J. Simon
General Counsel and Secretary

Attachment

Act	Securities Exchange Act of 1934
Section	19b-4
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END